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UNITED STATES DISTRICT COURT FOR THE  
NORTHERN DISTRICT OF CALIFORNIA

The United States of America, by and through undersigned counsel, hereby petitions this Court *ex parte* pursuant to 26 U.S.C. § 7609(h)(2) for an order authorizing service of an Internal Revenue

1 Service “John Doe” summons to Coinbase, Inc., for information related to transactions in convertible  
2 virtual currency as defined in IRS Notice 2014-21. In support, the United States avers as follows:

3 1. This *ex parte* proceeding is commenced pursuant to §§ 7402(a), 7609(f), and 7609(h) of  
4 the Internal Revenue Code (26 U.S.C.), for leave to serve an Internal Revenue Service “John Doe”  
5 summons on Coinbase, Inc., (“Coinbase”).

6 2. The Court has jurisdiction over this proceeding pursuant to §§ 7402(b) and 7609(h)(1) of  
7 the Internal Revenue Code and 28 U.S.C. §§ 1340 and 1345. Venue properly lies within this district.

8 3. This proceeding is appropriate for assignment to the San Francisco or Oakland Divisions  
9 since Coinbase is headquartered in San Francisco.

10 3. The IRS has launched an investigation to determine the correct federal income tax  
11 liabilities for taxable years 2013-2015 of United States taxpayers who have conducted transactions in a  
12 “convertible virtual currency” as that term is defined in IRS Notice 2014-21. The taxpayers being  
13 investigated have not been or may not be complying with U.S. internal revenue laws requiring the  
14 reporting of taxable income from virtual-currency transactions.

15 4. In furtherance of this investigation, the IRS seeks permission to serve, under the authority  
16 of § 7602 of the Internal Revenue Code, an administrative “John Doe” summons to Coinbase. A copy  
17 of the proposed summons is attached as Exhibit B to the Declaration of David Utzke, Senior Revenue  
18 Agent, with the Internal Revenue Service.

19 5. The “John Doe” summons relates to the investigation of an ascertainable group or class  
20 of persons, that is, United States taxpayers who, at any time during the years ended December 31, 2013,  
21 through December 31, 2015, conducted transactions in a convertible virtual currency as defined in IRS  
22 Notice 2014-21.

23 6. There is a reasonable basis for believing that such group or class of persons may fail, or  
24 may have failed, to comply with one or more provisions of the internal revenue laws.

25 7. The information sought to be obtained from the examination of the records (and the  
26 identity of the persons with respect to whose tax liabilities the summons will issue) is not readily  
27 available from other sources.

8. In support of this Petition, the United States submits the Declaration of Senior Revenue Agent David Utzke, the exhibits attached thereto, and a supporting memorandum.

Dated this 17th day of November, 2016.

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